

Message Text

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PAGE 01 NAIROB 00848 01 OF 02 202127Z
ACTION AID-59

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UNCLAS SECTION 1 OF 2 NAIROBI 0848

E.O. 11652: N/A
TAGS: BAGB, EAID, EINV, KE
SUBJ: KENYA ACCELERATED IMPACT PROGRAM -- BARINGO DEMONSTRATION
PROJECT

REF STATE 813 AND PREVIOUS

1. SUMMARY. AGRIBUSINESS COUNCIL PRESIDENT KENNETH MUELLER VISITED KENYA JAN. 8-12 FOR HIGHLY SUCCESSFUL DISCUSSIONS WITH EMBASSY, AID, AND GOK OFFICIALS. HIGHLIGHT WAS ONSPOT INSPECTION OF PROPOSED BARINGO DEMONSTRATION PROJECT JAN. 9 WITH VICE PRESIDENT DANIEL ARAP MOI. NOT SURPRISINGLY, MANY TECHNICAL PROBLEMS REMAIN TO BE SOLVED BUT ON-GOING SUPPORT BY COUNCIL TO CREAT SHOWCASE IRRIGATION SCHEME AT BARINGO SEEMS ASSURED. DEPENDENT ONLY ON EXECUTIVE COMMITTEE APPROVAL. AT CONCLUSION HIS VISIT, MUELLER SAID BARINGO DEMONSTRATION PROJECT COULD STIR STRONG INTEREST IN AMERICAN AGRIBUSINESS COMMUNITY AND ACT AS MAGNET TO DRAW U.S. CORPORATIONS TO DEVELOP POTENTIALLY RICH KERIO VALLEY IN PARTNERSHIP WITH KENYANS. END SUMMARY.

2. SYNOPSIS OF MUELLER'S ACTIVITIES/FINDINGS FOLLOWS:
TIGHT SCHEDULE CARRIED MUELLER BY AIR ON SUNDAY, JANUARY 9 TO BARINGO DEMONSTRATION SITE WITH VICE PRESIDENT DANIE ARAP MOI, ANTHROPOLOGIST RICHARD LEAKEY, AMBASSADOR, AND EMBASSY/AID OFFICIALS. THAT EVENING MUELLER ATTENDED DINNER HOSTED BY MINISTER OF STATE MBIYU KOINANGE. NEXT DAY HE
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LUNCHEDED PRIVATELY WITH ELIUD MWAMUNGA, MINISTER FOR COMMERCE AND INDUSTRY, AND AMBASSADOR, CALLED ON MINISTER FOR WATER DEVELOPMENT GIKONYO KIANO, AND SAW MATU WAMAE, MANAGING DIRECTOR, INDUSTRIAL AND COMMERCIAL DEVELOPMENT CORP. (ICDC). TUESDAY MUELLER MET WITH JAMES S. MBURU, DIRECTOR OF AGRICULTURE, MINISTRY OF AGRICULTURE. ECONOMIC COUNSELOR HOSTED TWO DINNERS FOR MUELLER, JAN. 8 AND 10, WITH

GUESTS DRAWN FROM AGRIBUSINESS AND FINANCIAL CIRCLES, INCLUDING REGIONAL REPRESENTATIVE WORLD BANK. MANAGING DIRECTOR RICHARD MARKS HOSTED DINNER JAN. 11 AT DEL MONTE'S 25,000 ACRE PINEAPPLE PLANTATION IN THIKA. AMBASSADOR ACCOMPANIED MUELLER TO ALL APPOINTMENTS THROUGHOUT STAY, AS DID WILLIAM E. KLEIN, JR., DIRECTOR FOR PLANNING AND DEVELOPMENT, HANCOR INC. (OHIO), AFTER HIS ARRIVAL JAN. 9 AS ADVISER TO MUELLER ON WATER ENTRAPMENT AND IRRIGATION.

3. IN PRELIMINARY ESTIMATE, MUELLER AND KLEIN THOUGHT GORGE SELECTED LOOKED HIGHLY PROMISING BECAUSE OF NATURAL CHARACTERISTICS. GOK TECHNICIANS, ALSO THOUGH THEY THINK BARINGO IS TOUGH AREA FOR RECLAMATION (THUS PROVIDING EXEMPLARY ELEMENT AMBASSADOR WANTS), AGREE CAUTIOUSLY THAT SITE MIGHT BE SUITABLE FOR DAM PENDING NECESSARY TESTS. SERIOUS QUESTIONS CONCERN COPING WITH ROCK AND SILT BUILDUP (LOAD) AT DAM, POSSIBILITY OF SEISMIC FAULT (NOT EXPECTED) OR BASIN SEEPAGE, AND EXTENT TO WHICH ROCK DEGRADATION WOULD NECESSITATE DAM'S BEING KEYED IN. MUELLER SAW EXCELLENT POTENTIAL IN DESICCATED FLOOD PLAIN TO BE IRRIGATED, WHERE TOPSOIL (SILT) BUILDUP IS UNIFORMLY SIX FEET THICK OR MORE. ESTIMATES OF IRRIGABLE ACREAGE VARY WIDELY, COULD BE ANYWHERE FROM 600 TO 2400 ACRES, PARTLY CONTINGENT ON FREQUENCY AND AMOUNT BY WHICH RESERVOIR RECHARGED, EVAPORATION RATE, AND IRRIGATION METHOD USED (DRIP, TRICKLE, OR BUBBLE). URGENT EFFORTS UNDERWAY TO ANSWER THESE QUESTIONS.

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MUELLER ALSO PLEASED AT GENERAL INFRASTRUCTURE IN AREA (OR PLANNED) ESPECIALLY COMPARED WITH SOUTHERN SUDAN WHERE COUNCIL REPORTELY FOUND INFRASTRUCTURE LESS SATISFACTORY THAN IN KENYA. DISCOVERY OF ONE OF WORLD'S LARGEST FLUORSPAR DEPOSITS AT HEAD OF KERIO VALLEY AT ABOUT SAME LATITUDE AS BARINGO SITE, AND EVIDENCE OF MORE FLUORSPAR AT UPPER (NORTH) END OF VALLEY, AS WELL AS POSSIBLE CHROME AND NICKEL DEPOSITS, MEANS GOK WILL CONTINUE TO INVEST IN INFRASTRUCTURE. CONTINENTAL ORE, WHICH MINES FLUORSPAR, IS PUMPING \$40,000 CASH MONTHLY INTO LOCAL ECONOMY VIA SALARIES AND PURCHASES, SO THAT SOME SHOPS, OVERHEAD ELECTRICITY LINES, TARMAC AND MURRAM ROADS ARE ALREADY INSTALLED NOT TOO DISTANT FROM SITE. PREFEASIBILITY STUDIES BY BRITISH CONSULTANTS M. STAMP AND ADNAN KHASHOGGI'S SAIDU ARABIAN TRIAD GROUP RECOMMENDED EXTENDING RAILWAY SPUR THROUGHOUT KERIO VALLEY AND ACTIVELY DEVELOPING AGRICULTURAL POTENTIAL. PROBLEM IS FUNDS, WHICH AMBASSADOR BELIEVES PRIVATE U.S. AGRIBUSINESSES COULD BE SOME EXTENT SUPPLY.

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UNCLAS FINAL SECTION OF 2 NAIROBI 0848/2

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SUBJ:KENYA ACCELERATED IMPACT PROGRAM -- BARINGO DEMONSTRATION
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4. GOK REACTED EXTREMELY POSITIVELY TO MUELLER'S VISIT. TOP-LEVEL OFFICIALS ENCOURAGED HIM TO PROCEED FULL SPEED WITH NINE-STEP PROGRAM BY WHICH COUNCIL, IF IT SO DECIDES, WOULD DEVELOP PREFEASIBILITY "PROJECT PROFILES" BY FIELDING FIVE OR SIX MEMBER TEAM IN KENYA FOLLOWED BY SEMINAR IN USA TO WHICH GOK OFFICIALS WOULD BE INVITED. MBURU AT MINISTRY OF AGRICULTURE SPECIFICALLY URGED THAT TEAM COME SOON, SINCE MOA HAS BEEN TRYING GET AID DONORS FOCUS ON BARINGO AREA SINCE 1973. MBURU CONVINCED BARINGO DEMONSTRATION PROJECT, IF FEASIBLE WOULD BE OF IMMENSE ADVANTAGE TO KENYA, WHILE ITS RISK POTENTIAL MIGHT BE REDUCED BY EVALUATING EXPERIENCE OF NEARBY PEKERRA IRRIGATION SCHEME RUN BY NATIONAL IRRIGATION BOARD, (ABOUT 8 MILES DISTANT). TO SELECT CROPS, HE SUGGESTED ACCELERATED STUDIES IN CONCERT WITH GOK BUT NAMED CITRUS, GRAPES, AND WIDE RANGE VEGETABLES. PEKERRA NOW GROWING ONIONS AND CHILIES.

5. AFTER MUELLER LEFT, KLEIN MADE MORE EXTENSIVE VISIT TO SITE OVERNIGHT WITH ECONOMIC COUNSELOR AND TWO AID EXPERTS. THEY TOOK ROUGH MEASUREMENTS OF GORGE AND PROSPECTIVE RESERVOIR, AND MADE SIGHT EVALUATION OF
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IRRIGABLE AREA. DAM MIGHT BE 50 FEET HIGH, THEY ESTIMATED, WHICH WOULD CREATE LAKE OF PERHAPS 5200 FEET BY 2600 FEET. ENTRAPPED WATER WOULD BE TRANSMITTED APPROXIMATELY THREE MILES BELOW DAM TO IRRIGATE 600 TO 2400 ACRES FLOOD PLAIN, PLAIN IS SEVERAL SQUARE MILES IN DIMENSION. THROUGHOUT TRIP, KLEIN PLACED HEAVIEST EMPHASIS ON DETERMINING MARKET AND THEN WORKING BACK FROM THERE TO SELECT CROPS AND TYPE OF IRRIGATION. KLEIN ALSO VISITED PEKERRA SCHEME AND LIKED IT THOUGH HE REQUESTED MORE PRECISE INFORMATION ON PEKERRA EXPERIENCE INCLUDING COST/BENEFIT ANALYSIS. HE DUG FOUR SAMPLES FROM UPPERMOST 24 INCHES OF TOPSOIL AT BARINGO DEMONSTRATION SITE FOR ANALYSIS AT OHIO STATE UNIVERSITY.

6. FOLLOWING ADDITIONAL ACTIONS AGREED UPON AS RESULT MUELLER/KLEIN VISIT:

A. FULL PROJECT DESCRIPTION TO BE FURNISHED ASAP TO GOK, INCLUDING MINISTRY WATER DEVELOPMENT AND MINISTRY AGRICULTURE. PAPER WILL DESCRIBE PHASE I (DAM), PHASE II (IRRIGATION), AND LONG-RANGE PHASE III (CREATION OF FINANCIAL AND DEVELOPMENT CORPORATION TO PROPAGATE EXPANSION OF BARINGO IDEA, IF SUCCESSFUL, THROUGHOUT KERIOD VALLEY).

B. AMERICAN CONSULTING ENGINEERS, TAMS, UNDER CONTRACT SIGNED JANUARY 12, TO PROVIDE PRELIMINARY FINDINGS BY FEBRUARY 3 ON RAINFALL, RUNOFF, MASS CURVE OF AVAILABLE FLOW, ROCK PERMEABILITY, BASIN SEEPAGE, RECOMMENDATIONS FOR EXPLORATORY DRILLING, AND ORDER-OF-MAGNITUDE COST ESTIMATES.

C. AID AGRONOMIST AND WATER EXPERT TO VISIT KENYA WHEN INITIAL TAMS STUDY COMPLETED, FOR FURTHER ON-SITE VERIFICATION OF FEASIBILITY.

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D. AGRIBUSINESS COUNCIL TO CONSULT WITH AID/WASHINGTON PREPARATORY TO FIELDING TEAM OF COUNCIL MEMBERS TO VISIT KENYA IN NEAR FUTURE TO DEVELOP PROJECT PROFILES FOR SUBMISSION TO COUNCIL SEMINAR SOMETIME BEFORE MAY 1977.

E. DAM TARGETED FOR COMPLETION BY AUGUST 1977 IN TIME TO CATCH SHORT RAINS.

7. AS FINAL COMMENT ON MUELLER VISIT, EMB REALIZES AS DOES MUELLER THAT ESTABLISHMENT OF FEASIBILITY FOR BARINGO DEMONSTRATION PROJECT IS OF UTMOST IMPORTANCE.

OUR INTENTION, HOWEVER, IS TO ESTABLISH FEASIBILITY ON AN ACCELERATED BASIS. WE ASSUME THAT SPEED IS PARTLY WHAT ACCELERATED IMPACT PROGRAM IS ALL ABOUT. GOK TECHNICIANS HAVE MANY PRUDENT RESERVATIONS, WHICH WE INTEND TAKE FULLY INTO ACCOUNT. WHAT IS TO BE STRESSED IS THAT SO FAR KENYAN DECISION-MAKERS, AS WELL AS MUELLER AND, KLEIN) HAVE THOROUGHLY ENDORSED AMBASSADOR'S APPROACH.

8. USAID/RED SO BELIEVE ABOVE CONCLUSIONS AND IMPLICATIONS WHICH FOLLOW THEREFROM ARE PREMATURE.
MARSHALL

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Message Attributes

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